



General Assembly

January Session, 2007

Bill No. 1483

LCO No. 8032

08032_____

Referred to Committee on No Committee

Introduced by:

SEN. WILLIAMS, 29th Dist.

REP. AMANN, 118th Dist.

AN ACT CONCERNING REVENUES FROM THE CIGARETTE TAX.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-296 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2007, and*
3 *applicable to sales occurring on or after July 1, 2007*):

4 A tax is imposed on all cigarettes held in this state by any person for
5 sale, said tax to be at the rate of [seventy-five and one-half] one
6 hundred mills for each cigarette and the payment thereof shall be for
7 the account of the purchaser or consumer of such cigarettes and shall
8 be evidenced by the affixing of stamps to the packages containing the
9 cigarettes as provided in this chapter.

10 Sec. 2. Section 12-316 of the general statutes is repealed and the
11 following is substituted in lieu thereof (*Effective July 1, 2007, and*
12 *applicable to the storage or use of unstamped cigarettes occurring on or after*
13 *July 1, 2007*):

14 A tax is hereby imposed at the rate of [seventy-five and one-half]

15 one hundred mills for each cigarette upon the storage or use within
16 this state of any unstamped cigarettes in the possession of any person
17 other than a licensed distributor or dealer, or a carrier for transit from
18 without this state to a licensed distributor or dealer within this state.
19 Any person, including distributors, dealers, carriers, warehousemen
20 and consumers, last having possession of unstamped cigarettes in this
21 state shall be liable for the tax on such cigarettes if such cigarettes are
22 unaccounted for in transit, storage or otherwise, and in such event a
23 presumption shall exist for the purpose of taxation that such cigarettes
24 were used and consumed in Connecticut.

25 Sec. 3. (NEW) (*Effective July 1, 2007*) (a) An excise tax is hereby
26 imposed upon each distributor and each dealer, as each are defined in
27 section 12-285 of the general statutes and licensed pursuant to chapter
28 214 of the general statutes, in the amount of twenty-four and one-half
29 mills per cigarette, as defined in said section 12-285, in such
30 distributor's or such dealer's inventory as of the close of business on
31 June 30, 2007, or, if the business closes after eleven fifty-nine p.m. on
32 such date, at eleven fifty-nine p.m. on such date.

33 (b) Each such licensed distributor or dealer shall, not later than
34 August 15, 2007, file with the Commissioner of Revenue Services, on
35 forms prescribed by said commissioner, a report that shows the
36 number of cigarettes in inventory as of the close of business on June 30,
37 2007, or, if the business closes after eleven fifty-nine p.m. on such date,
38 at eleven fifty-nine p.m. on such date, upon which inventory the tax
39 under subsection (a) of this section shall be imposed. The tax shall be
40 due and payable on the due date of such report. If any distributor or
41 dealer required to file a report pursuant to this section fails to file such
42 report on or before August 15, 2007, the commissioner shall make an
43 estimate of the number of cigarettes in such distributor's or dealer's
44 inventory as of the close of business on June 30, 2007, based upon any
45 information that is in the commissioner's possession or that may come
46 into the commissioner's possession. The provisions of chapter 214 of
47 the general statutes pertaining to failure to file returns, examination of

48 returns by the commissioner, the issuance of deficiency assessments or
49 assessments where no return has been filed, the collection of tax, the
50 imposition of penalties and the accrual of interest shall apply to the
51 distributors and dealers required to pay the tax imposed under this
52 section. Failure of any distributor or dealer to file such report when
53 due shall be sufficient reason to revoke such distributor's or dealer's
54 license under the provisions of said chapter 214 and to revoke any
55 other state license or permit held by such distributor or dealer.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2007, and applicable to sales occurring on or after July 1, 2007</i>	12-296
Sec. 2	<i>July 1, 2007, and applicable to the storage or use of unstamped cigarettes occurring on or after July 1, 2007</i>	12-316
Sec. 3	<i>July 1, 2007</i>	New section